

25X1

Approved For Release 2005/03/24 : CIA-RDP80R01720R000200050008-3

S E C R E T 041030Z DEC 69 CITE SAIGON 7462

25X1

DIRECTOR I [REDACTED]

IN 97159

SECTION 1 OF 3

25X1

[REDACTED]
SUPDATA

25X1

FILED 041030Z

*IW COMMENT: LIMITED INTERNAL DISTRIBUTION AT THE

REQUEST OF [REDACTED]

25X1

CABLE SECRETARIAT PLEASE SUSPEND FOR DDI.

Approved For Release 2005/03/24 : CIA-RDP80R01720R000200050008-3

SECRET

SECRET

Approved For Release 2005/03/24 : CIA-RDP80R01720R000200050008-3
CIA INTERNAL USE ONLY

INTELLIGENCE INFORMATION CABLE

DATE 4 DECEMBER 1969
IN 97159
PAGE 1 OF 13 PAGES

25X1

Excluded from automatic
downgrading and
declassification

COUNTRY SOUTH VIETNAM
DOI 1 DECEMBER 1969
SUBJECT REMARKS OF VICE PRESIDENT KY ON THE MILITARY
AND POLITICAL SITUATION IN VIETNAM AND ON THE
LEADERSHIP OF PRESIDENT THIEU

ACQ VIETNAM, SAIGON (1 DECEMBER 1969) FIELD NO.

SOURCE

SUMMARY: ON 1 DECEMBER 1969 VICE PRESIDENT KY SAID THAT
ALTHOUGH THE ENEMY HAD BEEN HURT OVER THE PAST FEW
YEARS, IT WAS A MISTAKE TO ASSUME HE HAD NO PUNCH LEFT
AND HE MIGHT WELL STEP UP ACTIVITY, POSSIBLY AROUND TET
1970. KY WAS PARTICULARLY CRITICAL OF THE GENERALS WHO
HEADED ARVN, STATING THAT MANY WERE KNOWN TO BE CORRUPT.
UNLESS THEY WERE RETIRED SOON, KY FELT THAT THE YOUNG
TURKS IN ARVN MIGHT TAKE POWER INTO THEIR OWN HANDS. HE

Approved For Release 2005/03/24 : CIA-RDP80R01720R000200050008-3

SECRET

IN 97159

TDCS

PAGE 2 OF 13 PAGES

S E C R E T

(classification)

(dissem controls)

WAS ALSO CRITICAL OF THE NEW AUSTERITY MEASURES, WHICH HE DID NOT FEEL WOULD SOLVE THE ECONOMIC CRISIS. ONLY AN AUSTERITY PROGRAM WHICH AFFECTED ALL LEVELS OF SOCIETY, NOT JUST NEW TAXES, COULD HELP THE ECONOMIC SITUATION. KY CRITICIZED PRESIDENT THIEU FOR BEING TOO DEPENDENT ON THE AMERICANS AND INTIMATED THAT IF HE DIDN'T IMPROVE HIS PERFORMANCE, HE MIGHT HAVE TO BE OVERTHROWN BEFORE HIS LACK OF LEADERSHIP LED TO A COMMUNIST VICTORY. HE DID NOT BELIEVE THAT THIEU, EVEN IF HE MANAGED TO STAY IN OFFICE UNTIL 1971, COULD POSSIBLY WIN RE-ELECTION. KY DID NOT FEEL IT WAS TOO LATE FOR THIEU TO EXERT LEADERSHIP, BUT SAID THAT IF HE DID NOT BEGIN SOON, ZATIONS NO LONGER AVOIDABLE WOULD HAVE TO BE TAKEN." KY DISCOUNTED SENATOR DON AND GENERAL DUONG VAN MINH AS POTENTIAL LEADERS, AND SAID THAT ONLY THE NUMBER OF BUDDHIST OFFICERS IN THE ARMY MADE THE AN QUANG BUDDHISTS A POTENTIAL FORCE WITH WHICH TO CONTENT. END SUMMARY.

1. IN A CONVERSATION ON 1 DECEMBER 1969 VICE PRESIDENT NGUYEN CAO K Y DISCUSSED VARIOUS ASPECTS OF THE MILITARY AND POLITICAL SITUATION IN VIETNAM, ELABORATED HIS VIEWS ON THE LEADERSHIP OF PRESIDENT NGUYEN VAN T H I E U, AND EX-

SECRET

IN 97159

TDCS

PAGE 3 OF 13 PAGES

S E C R E T

(classification)

(dissem controls)

PRESSED GRAVE CONCERN ABOUT CERTAIN TRENDS IN THE CURRENT SITUATION.

2. VICE PRESIDENT KY FIRST DISCUSSED THE MILITARY AND PACIFICATION SCENE. HE STATED THAT THE ENEMY HAD INDEED BEEN HURT OVER THE PAST FEW YEARS, PARTICULARLY DURING THE PEAK AMERICAN MILITARY EFFORT PRIOR TO THE CURTAILMENT AND THEN CESSATION OF THE BOMBING OF THE NORTH. PROGRESS WAS STILL BEING MADE AGAINST THE ENEMY AND THE ARMY OF THE REPUBLIC OF VIETNAM (ARVN) WAS SHOWING IMPROVEMENT, BUT IT WOULD BE A MISTAKE TO ASSUME THAT THE ENEMY HAD NO PUNCH LEFT. THE RECENT LULL IN ENEMY-INITIATED ACTIVITY HAS RESULTED FROM TWO FACTORS: HAVING BEEN PROGRESSIVELY WEAKENED, THE ENEMY NEEDS MORE TIME THAN PREVIOUSLY TO RESUPPLY, REGROUP AND RETRAIN. SECONDLY, THE COMMUNISTS ARE WARY OF THE ADVERSE EFFECT ON THEIR IMAGE IN THE EYES OF THE WORLD IF THEY ESCALATE AT A TIME WHEN THE ALLIES HAVE ADOPTED A POLICY OF DE-ESCALATION. IT SHOULD COME AS NO SURPRISE, HOWEVER, IF THE ENEMY AGAIN STEPPED UP THE PACE IN THE MONTHS AHEAD AT A MOMENT OF HIS OWN CHOOSING, PERHAPS AROUND TET 1970.

SECRET

IN 97159

TDCS

PAGE 4 OF 13 PAGES

S E C R E T

(classification)

(dissem controls)

3. KY ACKNOWLEDGED SOME GENERAL IMPROVEMENTS IN THE SITUATION IN THE COUNTRYSIDE OVER THE PAST YEAR, BUT WENT ON TO SAY THAT PRESIDENT THIEU'S METHOD OF ORDERING A PROVINCE OR DISTRICT CHIEF TO ACHIEVE "88 OR 98" PERCENT PACIFICATION IN A GIVEN AREA TENDED TO PRODUCE HIGHLY MISLEADING RESULTS. THE LOCAL OFFICIAL IN QUESTION WOULD ALWAYS FIND A FORMULA OR DATA SERIES PERMITTING HIM TO CLAIM THAT HE HAD ACHIEVED THE REQUIRED PERCENTAGE, BUT THIS WOULD ESSENTIALLY BE BASED ON USING ONLY DATA CONDUCIVE TO ARRIVING AT SUCH A FIGURE. IN FACT, IT WAS FREQUENTLY UNSAFE TO WANDER TOO FAR EVEN IN THE DAYTIME IN AREAS THAT HAD THEORETICALLY BEEN 98 PERCENT PACIFIED. AS AN EXAMPLE, KY CITED TUYEN DUC PROVINCE, WHOSE CHIEF HAD RECENTLY ASSURED KY THAT THE PROVINCE WAS "ENTIRELY PACIFIED," THOUGH KY COULD HEAR HEAVY FIRING EVERY NIGHT WHILE SITTING IN HIS HOUSE IN DALAT, THE PROVINCE CAPITAL.

4. REVERTING TO THE SUBJECT OF ARVN, KY STATED THAT PROGRESS WAS BEING MADE IN TERMS OF THE SIZE OF THE ARMY, ITS SPIRIT AND EFFECTIVENESS. ONE CRITICAL COMPONENT, HOWEVER, WAS VERY WEAK, I.E., THE GENERALS. THE

SECRET

IN 97159

TDCS

PAGE 5 OF 13 PAGES

S E C R E T

(classification)

(dissem controls)

PROFESSIONAL INCOMPETENCE AND PERSONAL CORRUPTION OF THE GENERAL OFFICERS NOW ON ACTIVE DUTY WAS ALMOST CERTAIN TO CREATE SERIOUS TROUBLE. KY SAID THAT THE PRESENT LEADERS OF ARVN, AS WELL AS THE ARVN GENERALS CURRENTLY IN PRESIDENT THIEU'S ENTOURAGE, ARE GETTING OLD AND INCLUDE MANY WHO ARE FAMOUS FOR THEIR CORRUPT HISTORIES. HE MENTIONED

RECORD OF CORRUPTION WAS "KNOWN TO EVERYONE." HE WENT ON TO MENTION ANOTHER SEVEN OR EIGHT GENERALS FALLING INTO THE SAME CATEGORY OF INDIVIDUALS KNOWN FOR THE TAINT OF CORRUPTION. KY EMPHASIZED THAT IT WAS ESSENTIAL TO MAKE A CLEAN SWEEP OF THE ARVN GENERALS AND REPLACE THEM WITH CAPABLE YOUNGER OFFICERS NOT INEXTRICABLY ENTWINED OVER THE YEARS IN CORRUPTION. KY

S E C R E T

IN 97159

TDCS

PAGE 6 OF 13 PAGES

S E C R E T

(classification)

(dissem controls)

NOTED IN PASSING THAT ALL THESE MEN COULD LIVE COMFORTABLY EVER AFTER ON THEIR SUBSTANTIAL ILL-GOTTEN GAINS, AND HENCE, NO HARDSHIP WOULD BE WORKED IF THEY WERE RETIRED FORTHWITH. KY WARNED THAT IF THIS WERE NOT DONE THERE WAS NO QUESTION THAT THE CAPABLE YOUNG TURKS IN ARVN WOULD DECIDE SOONER OR LATER TO CLEAN HOUSE AND TAKE POWER IN THEIR OWN HANDS. THESE YOUNGER OFFICERS WERE STRONGLY ANTI-COMMUNIST AND PATRIOTIC. THEY WOULD NOT STAND BY INDEFINITELY WHILE THIEU PERMITTED THE GENERALS TO SPEND MORE TIME MAKING MONEY THAN FIGHTING THE COMMUNISTS. COMPOUNDING THIS DISSATISFACTION AMONG THE YOUNGER OFFICERS IN ARVN WAS THE FACT THAT A MAJOR OR LIEUTENEANT COLONEL DID NOT GET PAID ENOUGH TO FEED HIS FAMILY UNLESS HIS WIFE WORKED TOO, AND EVEN THEN IT WAS A MINIMAL EXISTENCE. THE AUSTERITY MEASURES HAD FURTHER EXACERBATED THE PROBLEM.

5. HAVING MENTIONED AUSTERITY IN THE ABOVE CONTEXT, KY PROCEEDED TO DENOUNCE BOTH THE WAY THE AUSTERITY MEASURES WERE HANDLED AND THE MEASURES THEMSELVES. HE SAID THAT AN AUSTERITY PROGRAM WAS VERY DEFINITELY REQUIRED, BUT THAT IT SHOULD HAVE BEEN EXPLAINED TO THE PEOPLE IN ADVANCE, NOT

SECRET

12851

IN 97159

TDCS

PAGE 7 OF 13 PAGES

S E C R E T

(classification)

(dissem controls)

AFTER THE FACT. HE SAID HE HAD TRIED UNSUCCESSFULLY TO PERSUADE PRESIDENT THIEU TO MAKE THESE ESSENTIAL EXPLANATIONS. FURTHERMORE, THE AUSTERITY PROGRAM WAS IN FACT NOTHING MORE THAN NEW TAX MEASURES WHICH AFFECTED ESSENTIALLY THE MIDDLE CLASSES, INCLUDING LOWER RANKING MEMBERS OF THE ARMY AND THE CIVIL SERVANTS. THE POOR WERE NOT TOO HARD HIT, PARTICULARLY SINCE THEY OFTEN MADE THEIR LIVING EITHER DIRECTLY OR INDIRECTLY AS THE RESULT OF THE PRESENCE OF THE AMERICANS. THE VERY RICH HAD THE NECESSARY CONNECTIONS, AND CAME OUT LARGELY UNSCATHED. IN THIS REGARD, KY SIAD THAT HE HAD REPEATEDLY ASKED THE MINISTER OF ECONOMY FOR A LIST THE LATTER CLAIMED TO HAVE IN HIS POSSESSSION WHICH CONTAINED THE NAMES OF RICH BUSINESSMEN AND OFFICIALS WHO OWED TAXES IN THE AGGREGATE OF APPROXIMATELY VN\$2 BILLION (US\$16,949,152 AT THE OFFICIAL EXCHANGE RATE OF VN\$118 TO US\$1.00). KY TOLD THE MINISTER THAT IF HE COULD HAVE THE LIST, HE WOULD SEE THAT THIS MONEY WAS COLLECTED BY THE FOLLOWING DAY. HE HAD STILL NOT RECEIVED THE LIST, AND HE KNEW THAT HE WOULD NOT. TOO MANY WELL-CONNECTED NAMES FIGURED PROMINENTLY ON IT. THE SUMS THESE PROMINENT FIGURES OWED IN

SECRET

IN 97159

TDCS

PAGE 8 OF 13 PAGES

S E C R E T

(classification)

(dissem controls)

DELINQUENT TAXES FAR EXCEEDED THE LITTLE BIT EXTRA BEING COLLECTED HERE AND THERE THROUGH INCREASED TAXES. ADDITIONALLY, SINCE PEOPLE WOULD NO LONGER BE ABLE TO AFFORD MANY OF THE HIGHLY TAXED IMPORTS, THEY SIMPLY WOULD NOT BUY THEM, AND THERE WOULD BE NO TAX MONEY ACCRUING TO THE GVN FROM GOODS THAT WERE NOT IMPORTED. KY STATED FORCEFULLY THAT ONLY WHEN THERE WAS A PROGRAM OF AUSTERITY IN THE TRUE SENSE OF THE WORD, AFFECTING ALL LEVELS OF SOCIETY, RATHER THAN JUST NEW TAXES, WOULD THERE BE A STABILIZATION OF THE ECONOMY. HE STATED THAT HE FOR ONE WOULD GLADLY GO LIVE IN A SMALL HUT, AND THAT IF THE SENIOR OFFICIALS OF THE GVN WOULD ALSO ADOPT THIS ATTITUDE THERE WOULD BE NO DIFFICULTY WHATSOEVER IN HAVING ALL THE PEOPLE GLADLY FALL IN LINE.

6. TURNING TO THE ROLE OF PRESIDENTIAL LEADERSHIP IN ALLEVIATING AND REMEDYING THE VARIOUS PROBLEMS WHICH BESET THE COUNTRY, KY STATED THAT NOTHING COULD HAPPEN UNTIL THIEU BEGAN TO ACT LIKE A PRESIDENT. FOR ONE THING, THIEU WAS FAR TOO DEPENDENT ON THE AMERICANS. IT HAD COME TO BE NOTICED, FOR EXAMPLE, THAT MANY OF THIEU'S ACTIONS FOLLOWED ON THE HEELS OF MEETINGS WITH THE AMERICAN AMBASSADOR AND THE

SECRET

198.21

IN 97159

TDCS

PAGE 9 OF 13 PAGES

S E C R E T

(classification)

(dissem controls)

INFERENCE OF CAUSE AND EFFECT COULD BE RAPIDLY DRAWN. KY SAID THAT HE HAD FREQUENTLY URGED THIEU TO EXERCISE POSITIVE LEADERSHIP. HE THEN OBSERVED THAT HE KNEW THAT THIEU DID NOT LIKE HIM, BUT IN SPITE OF THIS HE HAD TRIED TO SUPPORT HIM. HE SAID THAT AT LEAST HE WAS ONE PERSON THAT THIEU WOULD LISTEN TO SINCE HE WAS AFRAID OF HIM AND KNEW KY WAS BEHAVING IN AN HONEST AND FORTHRIGHT FASHION. THIEU, HOWEVER, WAS A CAUTIOUS AND SUSPICIOUS MAN WHO WAS ISOLATING HIMSELF MORE AND MORE FROM REALITY, AND NOT EVEN HIS ENTOURAGE COULD CARRY ANY WEIGHT IN HIS DECISION-MAKING. KY COMMENTED THAT THIEU WAS BECOMING MORE AND MORE LIKE NGO DINH D I E M TOWARD THE END OF THE LATTER'S REGIME.

25X1

SECRET

IN 97159

TDCS

PAGE 10 OF 13PAGES

S E C R E T

(classification)

(dissem controls)

25X1

OVERTHROWN. KY INDICATED THAT HE FULLY UNDERSTOOD THE
POLITICAL IMPORTANCE OF HAVING A LEGALLY CONSTITUTED GOVERN-
MENT, PARTICULARLY IN TERMS OF FOREIGN OPINION, BUT HE
EMPHASIZED THAT IF THE LEGAL GOVERNMENT DID NOT MOVE FORWARD
IN A COMPETENT AND HONEST FASHION TO SOLVE THE PROBLEMS FACING
THE NATION THE TIME WOULD SOONER OR LATER COME WHEN
THE NATION'S NEEDS TRANSCENDED CONSIDERATIONS OF
LEGALITY. AT THIS POINT, THE LEGAL GOVERNMENT WOULD
BE OUSTED. KY SAID THAT WHEN THAT TIME CAME THERE WOULD
BE NOTHING THAT THIEU OR THE AMERICANS COULD DO TO PRE-
VENT IT.

S E C R E T

SECRET

IN 97159

TDCS

PAGE 11 OF 13 PAGES

SECRET

(classification)

(dissem controls)

8. KY OBSERVED ^{AT} ~~THEY~~ AT THE PRESENT ~~PAGE~~ ^{PAGE}
OF THIEU'S

LEADERSHIP, THE LATTER COULD NOT POSSIBLY WIN THE PRESIDENTIAL ELECTION IN 1971, EVEN IF THIEU MANAGED TO STAY IN OFFICE THAT LONG. HE NOTED THAT HERE FOREIGNERS WERE EASILY MISLED, SINCE VIETNAMESE SELDOM TOLD FOREIGNERS WHAT THEY, THE VIETNAMESE, REALLY BELIEVED. IT WAS ONE THING FOR A VISITING FOREIGNER TO TALK WITH THE VARIOUS LEVELS OF VIETNAMESE SOCIETY AND BE TOLD THAT THEY WERE ESSENTIALLY HAPPY WITH THE PROGRESS MADE BY THE REGIME. THIS WAS QUITE DIFFERENT, HOWEVER, FROM KNOWING THE PEOPLE INTIMATELY AS A VIETNAMESE AND HEARING THE TRUE INNER THOUGHTS OF THE PEOPLE ABOUT CONDITIONS IN THE COUNTRY AND ITS LEADERSHIP.

9. KY WENT ON TO SAY THAT WHILE HE WAS ATTEMPTING TO SUPPORT THIEU TO THE MAXIMUM EXTENT THAT THIEU WOULD PERMIT HIM TO, THERE WERE MANY ELEMENTS OF THE POPULATION WHO CONTINUED TO LOOK TO HIM (KY) FOR LEADERSHIP. AS EXAMPLES, HE CITED THE YOUNGER ELEMENTS OF THE MILITARY AND CIVIL SERVANTS, AND MOST OF THE MIDDLE CLASS WHO WERE BEING SQUEEZED IN ONE WAY OR ANOTHER. KY KNEW MANY OF THESE GROUPS PERSONALLY AND THEY KNEW HE UNDERSTOOD THEIR PROBLEMS. HE DISCOUNTED

SECRET

IN 97159

TDCS

PAGE 12 OF 13 PAGES

S E C R E T

(classification) (dissem controls)

SENATOR TRAN VAN D O N AND GENERAL DUONG VAN "BIG" M I N H AS POTENTIAL LEADERS, NOTING THAT THEY WERE ~~N~~AVE POLITICALLY AND THAT DON SPOKE BETTER FRENCH THAN VIETNAMESE. POLITICIANS SUCH AS THESE WERE ESSENTIALLY INEPT OPPORTUNISTS, THOUGH NOT NECESSARILY MALICIOUS. MINH PARTICULARLY WAS A BASICALLY GOOD MAN AND HAD BEEN A GOOD SOLDIER. KY MENTIONED THAT DON HAD RECENTLY ADMITTED TO HIM THAT HE WAS NEW AT POLITICS AND "TRYING TO LEARN." KY WENT ON TO NOTE THAT THE AN QUANG BUDDHISTS WERE HARMLESS ENOUGH BY THEMSELVES, AND THAT IT WAS ONLY THEIR FOLLOWING OF BUDDHIST OFFICERS IN THE ARMY WHICH MADE THEM A POTENTIAL FORCE WITH WHICH TO CONTEND. KY NOTED THAT THIS OFFICER FOLLOWING WAS NUMBERED AMONG THOSE DISCONTENTED ELEMENTS AT THE FIELD GRADE LEVEL OF WHICH HE HAD ALREADY SPOKEN AND WHICH LOOKED TO HIM FOR LEADERSHIP.

10. KY CONCLUDED HIS REMARKS WITH THE STATEMENT THAT IT WAS NOT YET TOO LATE FOR THIEU TO BEGIN ACTING LIKE A PRESIDENT, BUT THAT HE HAD SEEN NO SIGNS THAT HE INTENDED TO DO SO. IF HE DID NOT BEGIN SOON, ACTIONS NO LONGER AVOIDABLE WOULD HAVE TO BE TAKEN. WHATEVER THE PERSONAL

100,71

SECRET

IN 97159

TDCS

PAGE 13 OF 13 PAGES

• S E C R E T

(classification) (dissem controls)

OR POLITICAL RISKS INVOLVED, THEY WOULD HAVE TO BE TAKEN
OR A COMMUNIST VICTORY WOULD BE INEVITABLE. FOR KY'S PART,
HE WAS A FATALIST WHO LOVED HIS COUNTRY AND WOULD THINK
NOTHING OF DYING FOR IT IF THAT WAS WHAT FATE HELD IN STORE
FOR HIM.



12. FIELD DISSEM: STATE (AMBASSADOR BUNKER,
DEPUTY AMBASSADOR BERGER, POLITICAL COUNSELOR) USMACV
(GENERAL ABRAMS, AMBASSADOR COLBY, BRIGADIER GENERAL
POTTS) 7TH AIR FORCE (GENERAL BROWN, BRIGADIER GENERAL
SYKES) LIMDIS TO CINCPAC PACFLT ARPAC PACAF (ALSO SENT

25X1

REPORT CLASS SECRET

GROUP-1

SECRET

25X1